



Testimony

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TELECOMMUNICATIONS

Metropolitan Area Acquisition Program Implementation and Management

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G A O

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Mr. Chairman and Members of the Subcommittee:

Thank you for inviting us to participate in today's hearing on the implementation and management of the General Services Administration's (GSA) Metropolitan Area Acquisition (MAA) program. As you know, GSA initiated its MAA program in 1997 in order to achieve immediate, substantial, and sustained price reductions for local telecommunications in selected metropolitan areas, to expand agencies' choices of high-quality services, and to encourage cross-agency sharing of resources. Further, service providers awarded contracts under GSA's MAA program may eventually be allowed to compete for FTS2001 long distance service, so that federal agencies could potentially acquire end-to-end local and long distance telecommunications services from one source.

Mr. Chairman, in an April 2001 letter, you requested us to review the MAA program. Specifically, as agreed with your staff, our work to date has focused on

- the status of MAA contract implementation,
- the fees charged customer agencies by GSA for managing and administering those contracts, and
- the steps being taken by GSA to enable the MAA and FTS2001 contractors to cross over between these programs and offer both local and long distance services.

My testimony this afternoon provides the interim results of our work. This work is continuing and should be completed later this year.

Results in Brief

As of June 2001, GSA had awarded 37 MAA contracts for 20 metropolitan areas. These contracts required transition from existing GSA contracts to the MAA contracts to be completed within 9 months after contractors were authorized to begin implementation. Of the 14 metropolitan areas in which authorization was given 9 months ago or earlier, this time goal was met in 2 areas, but in the 12

others it was not. For example, the MAA transitions for New York, Chicago, and San Francisco are not yet complete almost 2 years after the contractors were authorized to begin implementation.

GSA and the MAA contractors have faced significant challenges in implementing this program. First, in New York City, the newly deregulated local telecommunications environment has produced unexpected barriers to implementation, which will take time to resolve. In addition, GSA and the MAA contractors have raised numerous other factors that they believe have contributed to implementation delays, including contractor performance, customer budgets, and the process used by GSA to allocate business among contractors in multiple award cities. These delays, in turn, postpone the realization of savings under the MAA program.

GSA charges customer agencies two types of fees to recover the costs of their contract management and administration activities. Depending on the specific metropolitan area, these fees (which are assessed as a percentage of the amount charged by the contractor for services), in total, currently range from about 28 to 84 percent. According to GSA, while these percentages appear substantial, the total cost of services, including these fees, is substantially lower than the prices under other GSA contracts for local services. GSA does not separately disclose these fees and instead requires the contractors to embed them in the contract prices. As a result, agencies do not have complete information to help them determine whether using GSA's services is their most economical option.

Although GSA has not yet allowed MAA contractors to offer FTS2001 services, it is taking steps to allow crossover between the two programs. In December 2000, GSA permitted FTS2001 contractors and other MAA contractors to offer local services in three of the MAA markets. In addition, GSA has drafted a paper to clarify its position on permitting additional competition in the FTS2001 program. This paper states that with the transition to FTS2001 nearing completion, GSA has concluded that it is appropriate to proceed with determining when to allow additional competition for FTS2001 services. As one of the first steps in this

process, GSA plans to present this clarification to industry for comment on June 28, 2001.

Background

The MAA program was conceived just a few months after passage of the Telecommunications Act of 1996, which was intended to increase competition and reduce regulations in the telecommunications industry. The MAA program sought to take advantage of emerging competition in the local services market; the program focused on the largest cities in the country, whose population density would be likely to draw competitors into their markets. GSA believed that this emerging competition would create an opportunity for the government to gain an immediate price reduction in local telecommunications services. Further, it envisioned the MAA contracts as a complement to existing contracts in metropolitan areas, as well as a solution for local service contracts that are expiring.

The MAA program is a contractual vehicle for offering local voice and selected data services. Each contract is a fixed-price, indefinite-delivery, indefinite-quantity contract with a base term of 4 years (48 months) from date of award, with four successive 1-year options. The contracts state that all initial service locations identified in these contracts are to be transitioned from existing GSA contracts to the MAA contracts within 9 months after GSA gives “notice to proceed”—authorization for the contractor to begin implementation.

The initial stage of the MAA program (Phase I) consisted of pilot acquisitions in the New York, Chicago, and San Francisco metropolitan areas in May 1999. Bolstered by substantially lower prices in these three pilot cities, GSA expanded the MAA program to other metropolitan areas throughout the country, and awarded contracts in 17 additional cities (Phase II) between February 2000 and February 2001. In Phase III, awards are expected to be made by the end of this calendar year in seven additional cities: Detroit, Kansas City, Norfolk, Oklahoma City, Salt Lake City, San Antonio, and Seattle. GSA estimates that the federal

government could save about \$1.1 billion over the 8-year life of the 37 MAA contracts awarded to date.¹

Each MAA contract also has a minimum dollar guarantee that is divided equally among all original contract awardees for a given metropolitan area. These guarantees were largest in the pilot cities, which were the first (and largest) MAA markets: for New York, the guarantee was \$7 million; for Chicago, \$3 million; and for San Francisco, \$2 million. Guarantees in the most recent contracts have been significantly lower, at \$100,000.

GSA's Federal Technology Service (FTS) has responsibility for the MAA program. FTS headquarters is responsible for planning and program management, while FTS staff in GSA's field offices implement and administer the MAA contracts. As a self-sustaining organization, GSA FTS assesses customer agencies two types of management fees to finance its activities: a contract management fee and a full-service fee. The contract management fee is to cover general program, acquisition, and contract management activities and is applied as a percentage of service cost. The full-service fee covers service ordering, implementation planning and coordination, and billing. The full-service fee is an additional percentage applied on top of the total service cost plus the contract management fee.

Federal agencies are not required to use the MAA contracts. Depending on their specific requirements, federal agencies may use the telecommunications services provided through a GSA regional telecommunications services program² (using either GSA's MAA contracts or one of GSA's other local services contracts or agreements), or they may acquire and manage their own local telecommunications services and the associated equipment. A substantial number of

¹ GSA based these savings estimates on the difference between current service prices in effect for each of the 20 MAA cities and the total amount of the lowest offeror's prices for a given city.

² FTS offers a variety of programs through which agencies can acquire local telecommunications service. For example, the Aggregated System Procurement Program consolidated local requirements into an overall system procurement based on the Bell Operating Company boundaries. The Individual System Procurement Program serves locations where the aggregated program does not. In addition, regional FTS offices have also obtained Rate Stabilization Agreements that allow agencies to acquire local tariffed telecommunications services at short-term discounts.

agencies do choose to acquire services through GSA: in FY2000 for example, GSA's local telecommunications services program provided approximately 540,000 active service lines to government agencies, at an average monthly cost per line of \$18.81.

Although it focuses on local services, the MAA program also has implications for the long distance market. Part of the overall FTS program strategy, developed in 1997 in consultation with industry and the Congress, was to eventually permit contractors to offer both local and long distance services through crossover between the local MAA contracts and the long distance FTS2001 contracts, thereby allowing further competition in both markets. Specifically, MAA contractors would be permitted to compete for FTS2001 long distance business (1) where allowed by law and regulation, (2) after the FTS2001 contracts have been awarded for a year (known as the forbearance period), and (3) if GSA determines that it is in the government's best interests to allow such additional competition.

Objectives, Scope and Methodology

The objectives of our ongoing review are to provide information on (1) the status of MAA contract implementation, (2) the fees charged customer agencies by GSA for the management and administration of those contracts, and (3) the steps being taken by GSA to enable the MAA and FTS2001 contractors to cross over between these programs and offer both local and long distance services.

In our work to date, we have addressed these objectives by reviewing MAA contract documentation, including solicitations, contracts, and associated modifications. We also reviewed an internal GSA management report on MAA implementation challenges prepared by GSA's Office of Inspector General (OIG), and interviewed the staff who prepared this report.

To evaluate the status of MAA implementation efforts, we reviewed reports generated by GSA's automated MAA status tracking system, verifying the

information in the reports against other available documentation such as billing system reports. To better understand how the program is being implemented, we visited the New York City FTS Region 2 office, reviewed contract management documentation, and interviewed GSA FTS regional management staff responsible for program implementations in New York and in Buffalo. To gain the customers' perspective on MAA implementation, we also interviewed agency managers at the Department of Housing and Urban Development in New York City and at the Office of U.S. Trustees and the U.S. Attorney's Office in Washington, D.C. We also met with AT&T MAA managers in Washington, D.C., and in New York, as well as Verizon MAA program managers in Washington, D.C., to gain additional information and documentation pertaining to program implementation and management.

To determine the management fees charged by GSA and how those fees are derived, we reviewed documentation on those fees as well as MAA management roles and responsibilities, and interviewed FTS program managers as well as the FTS Financial Service Center manager responsible for developing those rates.

To determine the steps being taken by GSA regarding FTS crossover, we obtained and reviewed an initial draft policy clarification prepared by GSA, analyzed documentation pertaining to GSA's December 2000 decision to lift forbearance in the MAA pilot cities, and reviewed documentation pertaining to GSA's first crossover award. We also discussed the draft policy clarification with GSA FTS managers.

MAA Implementation Status

As of June 2001, GSA had awarded 37 MAA contracts for 20 metropolitan areas. Table 1 summarizes MAA contract awards and GSA's estimated savings for each area. As indicated in the table, in 8 of the 20 metropolitan areas, a single contract was awarded. In addition, GSA recently decided to allow MAA contractors to cross over between cities and offer services in areas other than those in which they were awarded an MAA contract.³ Two contractors have so far responded to this decision: In March 2001, GSA accepted Verizon's proposal to offer MAA services in New York, and Winstar has submitted proposals to offer services in all three Phase I cities.

³ These crossovers are not reflected in the table because they do not represent new awards.

Table 1. MAA Contracts Awarded as of June 5, 2001

Metro area	Award date	Estimated savings (millions of dollars)	Contractor(s)
<i>Phase I (pilot)</i>			
New York	20 May 1999	\$150	AT&T
Chicago	20 May 1999	75	AT&T
San Francisco	20 May 1999	32	AT&T
<i>Phase II</i>			
Buffalo	24 Feb 2000	6.4	AT&T Verizon
Cincinnati	23 Mar 2000	36.6	Winstar
Cleveland	24 Mar 2000	20	Ameritech (SBC) AT&T
Los Angeles	24 Mar 2000	47	Pacific Bell (SBC) Winstar
Baltimore	28 Mar 2000	44	Winstar
Atlanta	26 Apr 2000	174	Bell South Winstar
Miami	26 Apr 2000	44	Bell South Winstar
Indianapolis	27 Apr 2000	51	AT&T SBC Global Winstar
St. Louis	27 Apr 2000	36	Southwestern Bell (SBC) Winstar
Minneapolis	31 May 2000	13	Qwest Winstar
Dallas	30 Jun 2000	128	AT&T Southwestern Bell (SBC) Winstar
Denver	12 Jul 2000	68	AT&T Qwest Winstar
Boston	31 Jul 2000	78	AT&T Southwestern Bell (SBC) Verizon Winstar
Albuquerque	31 Aug 2000	19	Qwest
Boise	31 Aug 2000	6.5	Qwest
New Orleans	16 Oct 2000	11	Bell South
Philadelphia	27 Feb 2001	\$66	AT&T Winstar

Source: GSA Federal Technology Service

MAA Implementation Has Been Delayed

Although the MAA contracts require transition to be completed within 9 months after contractors are given notice to proceed, GSA's implementation of these contracts has not been as fast as anticipated. As shown in table 2, for example, almost 2 years after notice to proceed was given, 66 percent of users in San Francisco, 43 percent of users in Chicago, and only 12 percent of users in New York are converted to MAA contracts.

Table 2: Percentage of GSA Local Telecommunications Users Converted to MAA Services as of June 1, 2001

Metro area	Award date	Notice to proceed date	Implementation status
New York	20 May 1999	18 Jul 1999	11.74%
Chicago	20 May 1999	15 Jul 1999	42.92%
San Francisco	20 May 1999	19 Jul 1999	65.76%
Buffalo	24 Feb 2000	15 Jun 2000	100.00%
Cincinnati	23 Mar 2000	14 Jul 2000	100.00%
Cleveland	24 Mar 2000	06 Jul 2000	0.00%
Los Angeles	24 Mar 2000	14 Jul 2000	13.54%
Baltimore	28 Mar 2000	29 Jun 2000	7.01%
Atlanta	26 Apr 2000	29 Jun 2000	0.10%
Miami	26 Apr 2000	29 Jun 2000	0.00%
Indianapolis	27 Apr 2000	06 Jul 2000	1.20%
St. Louis	27 Apr 2000	17 Aug 2000	16.49%
Minneapolis	31 May 2000	19 Sep 2000	84.7%
Dallas	30 Jun 2000	11–22 Sep 2000	28.22%
Denver	12 Jul 2000	13 Sep 2000	28.59%
Boston	31 Jul 2000	12 Sep 2000	5.43%
Albuquerque	31 Aug 2000	03 Oct 2000	0.00%
Boise	31 Aug 2000	23 Feb 2001	0.00%
New Orleans	16 Oct 2000	09 Nov 2000	75.64%
Philadelphia	27 Feb 2001	None to date	0.00%

Source: GSA Federal Technology Service

Progress to date implementing the more recently awarded contracts in the Phase II cities has also been mixed. Of the 11 phase II cities where notice to proceed was issued 9 months ago or more (September 13, 2000, or earlier), two—Buffalo and Cincinnati—have completed the conversion to the MAA contracts; implementation in the other 9 cities ranged from 0 to 29 percent complete, as of June 1. In the

six cities where notice was given to proceed after September 13, 2000, completion rates varied from 0 to 85 percent as of June 1.

GSA and Contractors Face Challenges in Completing MAA Implementation

Although they are making progress, GSA and the MAA contractors have faced significant challenges in completing this transition. First, in New York City, the newly deregulated local telecommunications environment has produced unexpected barriers to implementation, which will take time to resolve. In addition, GSA and the MAA contractors have raised numerous other factors that they believe have contributed to implementation delay. These factors include contractor performance, local number portability, contractor marketing, customer budgets, and the process used by GSA to allocate business among contractors in multiple award cities.

Implementing the MAA contract in the newly deregulated local telecommunications environment has created challenges for both GSA and the MAA contractors in New York City. Specifically, more than half the business lines served within this MAA are affected by a regulatory interpretation of access rights, and the associated connection and usage costs, to a building's riser cable (a cable that carries telecommunications services from the network demarcation point, typically in the basement of a building, to distribution facilities within the building). The Federal Communications Commission (FCC) has reviewed this issue and ruled that the incumbent local exchange carrier would retain ownership of the inside wiring, including the riser cable, but that the carrier could not impose fees on the use of this wiring. As a result, the MAA contracts were written under the assumption that the riser cable would be available free of charge to the MAA contractor. However, in New York, the incumbent carrier, Verizon, requires payment from the MAA contractor, AT&T, under a ruling by the New York Public Service Commission (a state regulatory body) that the incumbent carrier could charge for use of the riser cable. As a result, GSA and AT&T have had to delay

implementation efforts in the affected buildings until they can determine a mutually acceptable strategy for dealing with this problem.

In our work to date, GSA and the MAA contractors have raised numerous other factors that they believe have contributed to implementation delays. These include the following:

Contractor performance. According to GSA, AT&T has experienced systemic performance problems that have resulted in untimely service delivery and service outages during implementation and have reduced the willingness of customers to use MAA services. For example, GSA FTS officials told us that implementation in San Francisco was delayed because of recurring equipment problems that AT&T encountered as it installed Integrated Services Digital Network (ISDN) services. According to GSA, these equipment problems resulted in AT&T transitioning only a few lines at time, significantly adding to implementation time.

When we discussed these issues with AT&T MAA program managers, they acknowledged that there had been some performance issues. However, they told us that they recently changed hardware suppliers in order to resolve the equipment problems they had experienced in installing ISDN services. In addition, they stated that GSA had contributed to delays by failing to submit customer service orders to them in a timely manner. They added that discrepancies between the customer information maintained by the incumbent carrier and GSA billing records have been a continuing problem that has added to implementation time.

Local number portability. Local number portability, which allows customers to retain local phone numbers while changing local service providers, has contributed to implementation delays, according to GSA. According to GSA's MAA tracking reports, scheduled implementations in Atlanta and Miami were delayed between 2 and 5 weeks specifically by problems with implementing local number portability. In an internal management report prepared by GSA's OIG, number portability problems were ascribed both to technical difficulties and to

the fact that the incumbent carrier typically has little incentive to assist in this process.

MAA contractor marketing. According to AT&T MAA program officials, GSA has not permitted AT&T to directly market MAA services to customer agencies in New York—a factor these officials believe has delayed implementation efforts. GSA officials, however, told us that AT&T is permitted to directly market these services and must only inform GSA of its plans to do so.

Customer budgets. According to an internal management report prepared by GSA's OIG and discussions with AT&T MAA managers, customers did not budget funding to cover service initiation charges and (in some cases) the cost of upgrading hardware, required as part of MAA implementation. The report cited this as one of the factors that has caused implementation to proceed less quickly than initially projected.

Fair consideration. In multiple-award MAA cities, delays were caused by the fair consideration process⁴ that GSA uses to distribute service orders to contractors in cities where there is more than one MAA contractor. In Buffalo, for example, this process was not completed until 3 months after notice to proceed was issued, due in part to the time required by GSA to review all contractor deliverables.

All the delays described affect the potential savings under the MAA program. GSA has estimated that the MAA program could save about \$1.1 billion. GSA based its savings estimate on the difference between current service prices in effect for each of the 20 MAA cities and the total amount of the lowest MAA offeror's prices for a given city. However, this estimate does not consider the time required to actually implement these contracts. Because savings are not realized until the service is actually implemented, delays in implementing the contracts in turn

⁴ The fair consideration process identified in the MAA contracts is a means for the government to provide contractors a fair opportunity to compete for MAA service orders. According to these contracts, the government may base its fair consideration decision on (1) relative contract prices without further consideration of other factors or (2) a combination of price, technical, and past performance considerations.

delay the realization of savings and limit what can be realized over the 8-year term of the contracts.

More Transparency Is Needed for Management Fees

GSA's two fees—a contract management fee and a full-service fee—vary among the metropolitan areas served. GSA's contract management fee ranges from a low of 9.5 percent in St. Louis to a high of 60 percent in Baltimore, for the 19 MAA cities where fees have been determined. GSA's full-service fee (which is applied on top of the contract management fee) ranges from a low of less than 2 percent in Albuquerque, Dallas-Fort Worth, and New Orleans, to a high of 20 percent in San Francisco.

Table 3 identifies the fees that GSA has set for its MAA contracts. For purposes of comparison, we have also computed a composite fee that combines the contract management and full-service fee rates. To offer some additional perspective, the table also displays the single management fee that GSA currently assesses in MAA cities for non-MAA local telecommunications contracts. (It should be noted, however, that these fees are applied to a much higher base contract price.)

Table 3: GSA Local Telecommunications Management Fees

Metro area	Contract management fee	Full-service fee	Composite fee^a	Non-MAA management fee
Chicago	30.00%	10.00%	43.00%	56.73%
New York	30.00%	10.00%	43.00%	20.19%
San Francisco	50.00%	20.00%	80.00%	38.60%
Buffalo	40.00%	10.00%	54.00%	20.19%
Cincinnati	32.00%	5.00%	38.60%	56.73%
Cleveland	32.00%	6.00%	39.92%	56.73%
Los Angeles	44.20%	6.20%	53.14%	38.60%
Baltimore	60.00%	15.00%	84.00%	27.26%
Atlanta	26.00%	7.00%	34.82%	34.41%
Miami	28.00%	9.00%	39.52%	34.41%
Indianapolis	22.00%	5.00%	28.10%	56.73%
St. Louis	9.50%	15.79%	26.79%	5.00%
Minneapolis	30.00%	7.00%	39.10%	56.73%
Dallas	30.00%	1.84%	32.39%	30.00%
Denver	30.95%	9.60%	43.52%	27.42%
Boston	38.44%	11.16%	53.89%	32.03%
Boise	24.59%	2.93%	28.24%	33.60%
Albuquerque	30.01%	1.84%	32.40%	30.00%
New Orleans	30.01%	1.84%	32.40%	30.00%
Philadelphia	TBD	TBD	—	27.26%

^aThe formula used for the composite fee is $(CMF + FSF) + (CMF \times FSF)$, where CMF = contract management fee and FSF = full-service fee.

Source for contract management and full-service fee percentages: GSA Federal Technology Service

As previously stated, use of the MAA contracts is not mandatory; agencies can choose to procure local services on their own, if they believe they could do so more economically than GSA. In addition, to avoid paying the full-service fee, a customer agency can opt to use the MAA contracts' direct ordering and direct billing option. In so doing, the agency assumes responsibility for its service ordering, implementation planning and coordination, and billing management. To date, only the Internal Revenue Service in the Dallas-Fort Worth MAA has chosen to exercise this option.

GSA, like other federal agencies that provide centralized services, charges these fees to recover the costs of managing the program. In this type of service model, making fees transparent to users is an appropriate and valuable service. First,

disclosing fee amounts provides user agencies with key input to deciding whether to acquire services from the service provider or from alternative sources. Second, such disclosure makes the service provider accountable to customer agencies for providing a level of service commensurate with the fees charged.

The MAA contracts, however, require contractors to embed the GSA fees in the service pricing that they disclose to agencies during marketing activities, as well as on the invoices submitted for payment of services. According to the Assistant Commissioner for Regional Services, GSA took this approach to focus agencies' attention on making decisions based on the total cost of services rather than on the fee percentage. She pointed out that even with the management fees included, the total cost of services under the MAA contracts is dramatically lower than what is available under other local service contracts. For example, in Baltimore, the composite fee is about 84 percent; however, the total MAA monthly cost per service line—including all management fees—is \$8.92, compared to \$23.92 under another GSA local services contract. As another example, composite fees in Cleveland total about 40 percent. However, the total MAA monthly cost per service line is \$22.02, inclusive of fees, compared to \$28.67 under another GSA contract vehicle.

Although the total cost of services is obviously a critical factor in making decisions on how to buy local services, specific information on fees would further inform agency decisionmaking. Without such information, an agency in St. Louis, for example, would not be aware that it could lower its local MAA service costs by almost 18 percent if it assumed additional service ordering, billing, and administration responsibilities. Lacking full information on these fees, agencies cannot readily determine whether it is more economical for them to procure their own local services, to procure services through GSA but perform contract and management support activities themselves, or to procure services through GSA and pay GSA for support. Further, agencies cannot accurately discern whether the services provided by GSA are worth the management fees charged. For these

reasons, GSA should consider reassessing its decision not to disclose its fees to user agencies.

MAA Contractor Crossover to the FTS2001 Market

As you know, Mr. Chairman, part of GSA's overarching FTS strategy was to eventually permit MAA and FTS2001 contractors to offer both local and long distance services. Although GSA has delayed allowing MAA contractors to offer FTS2001 services until it could be sure that the minimum revenue guarantees to the current FTS2001 contractors are met, GSA has taken two steps in the past six months to initiate crossover⁵ between the MAA and FTS2001 programs. First, in December 2000 GSA lifted forbearance in the three pilot MAA cities, allowing FTS2001 and other MAA contractors to submit proposals to offer local services in those areas. In March 2001, GSA accepted Verizon's proposal to offer MAA services in New York. Winstar has also submitted proposals to offer services in the three pilot cities (New York, Chicago, and San Francisco). Second, GSA has drafted a paper to clarify its position on crossover between and among the FTS2001 and MAA contracts, which the FTS Commissioner has approved. This paper states that with the transition to FTS2001 nearing completion, GSA has concluded that it is appropriate to proceed with determining when to allow additional competition for FTS2001 services. As one of the first steps in this process, GSA plans to present this clarification to industry for comment on June 28, 2001.

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Mr. Chairman, that concludes my remarks regarding the interim results of our review of GSA's ambitious MAA program. We will continue our work, focusing on the barriers to timely MAA contract implementation and GSA's efforts to

⁵ Three types of contractor crossover are envisioned between and among the FTS2001 and MAA contracts: (1) where a local MAA service provider is allowed to cross over to offer FTS2001 long distance services; (2) where an FTS2001 contractor is allowed to cross over to offer MAA local services; and (3) where an MAA contractor is allowed to cross over into an MAA city in which it did not receive one of that city's initial MAA contracts.

surmount these barriers. In addition, we will more thoroughly evaluate the management fees that GSA is collecting on these contracts, as well as the support that GSA is in turn providing to agencies.

We would like to offer two observations at this time. First, there is a need for greater transparency of the MAA contracts' management fees. An opportunity exists for agencies to make a more informed business decision on whether to buy GSA's management and administrative services or to perform these functions themselves. However, because GSA does not disclose fee information to its customers, they cannot make such fully informed decisions. In addition, disclosing these fees would make GSA more accountable to agencies for the amount of these fees.

Second, our work on the New York MAA indicates that AT&T and GSA have different perspectives on the transition to date. Given the complexity and newness of this implementation endeavor, some of these differences are understandable. However, this situation also suggests the need for an increased quantity and quality of communication between these two parties.

Mr. Chairman, that concludes my statement. I would be happy to respond to any questions that you or other members of the Subcommittee may have at this time.

GAO Contacts and Staff Acknowledgments

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